

JULY 6

Tesla's meteoric rise is making a lot of employees very rich

Fred Lambert - Jul. 6th 2020 6:31 pm ET @FredericLambert



155 Comments

Tesla's meteoric rise is making a lot of employees and executives very rich — but none richer than Elon Musk, who is seeing his personal wealth skyrocket.



Like most other tech companies, Tesla is offering stock options and grants as part of its compensation packages. But unlike most automakers, the company is offering stock compensations for all employees throughout the organization, including production associates and sales staff, which is rare in the auto industry.

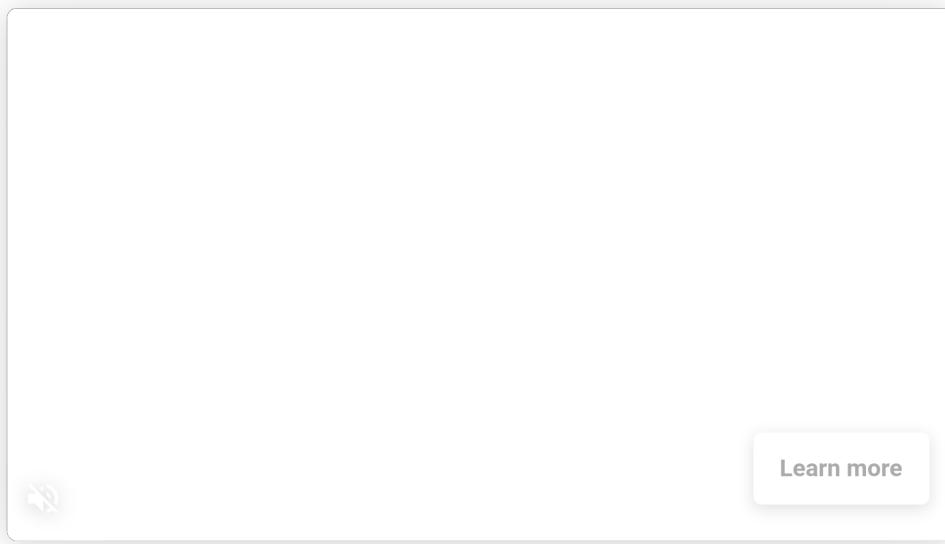
With the recent major increase in stock price (more than 200% this year alone), Tesla stocks are creating a bunch of new “Tesla millionaires.” For some of the top executives, we can actually learn exactly how rich, since they have to disclose their holdings in the company.

Here are a few examples:

- Drew Baglino, Tesla SVP of Powertrain and Energy Engineering, holds 4,222 Tesla shares, according to the latest report. His stake in the company is now worth more than \$5.7 million at today's close. Baglino is one of the top engineers at Tesla where he gradually moved up the ranks during his 14-year tenure at the automaker. He was working closely with cofounder and CTO JB Straubel, and he is now seen as the unofficial new CTO of the company.
- Jerome Guillen, president of Automotive, holds 9,752 Tesla stocks worth over \$13 million. Guillen has led several key programs at Tesla, including Model S and Tesla Semi, before being promoted to the head of automotive. He has a strong automotive engineering background and has proven to be a strong leader for Tesla.
- Zachary Kirkhorn, Tesla’s young CFO, now 11,831 shares of Tesla, which are now worth over \$16 million. Like Tesla’s stock, Kirkhorn had a meteoric rise of his own at Tesla. He climbed up the ranks of Tesla’s finance department over 10 years to become one of the youngest CFO of a major company ever at just 35 years old.

Of course, no one is getting richer than CEO Elon Musk as part of this incredible run. According to the latest disclosure, he owns 34,098,597 TSLA shares – making his stake in Tesla worth more than \$46 billion.

Musk’s brother, Kimbal Musk, who is also on Tesla’s board, is significantly benefiting from the rise in Tesla’s stock price. At the last reporting, he had 130,848 Tesla shares, which are now worth more than



Several key engineers in batteries, manufacturing, and construction, especially the execs behind Gigafactory Nevada, also receive massive stock grants worth millions at the time.

With the recent price run, those who held on to their shares are now extremely rich.

At lower pay levels in the company, employees are also benefiting, but to a much lower degree. According to sources talking to *Electrek*, most new hires are given between \$20,000 and \$40,000 of restricted stocks that vest over three years, starting a year after they start working at Tesla.

Tesla also awards performance-based equity bonuses, but those have been put on hold amid the coronavirus crisis. Therefore, employees who have been holding shares since last year are the ones benefiting the most from this recent TSLA run.

Electrek's Take

I like Tesla's policy to award equity to everyone and not just engineers and executives. It gives everyone ownership in the company, which is great for morale, and it gives them opportunities to make some money in those big TSLA runs.

However, the thing with stock options is that the price needs to keep going up, and at those kinds of levels, Tesla is going to reduce the number of shares awarded, and the automaker needs to deliver results on a \$250 billion valuation.

This is going to be hard.

Also, Tesla has cut the compensation of many employees, especially in the sales staff, over the last few years, and it doesn't look like the stock awards are compensating for that yet.

and that was achieved through employees taking a big pay cut during the quarter and still working crazy hard to deliver more than 90,000 cars.

Let's be appreciative of that. The good news is that they are also benefiting from the rise of the stock price, but I suspect that it was a tough quarter for many of them regardless.

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Tesla

Tesla is a transportation and energy company. It sells vehicles under its 'Tesla Motors' division and stationary battery pack for home, commercial and utility-scale projects under its 'Tesla Energy' division.

About the Author



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Through Zalkon.com, you can check out Fred's portfolio and get monthly green stock investment ideas.

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[Renewables...](#) • 5 months ago

Best story yet...

Attention WORLD LEADERS, CEOs, MAJOR INVESTMENT HOUSES, UNION LEADERS, STODGY MIDDLE MANAGERS ...Get off your high horses!

Give us products that truly make our world better

At least Try to lift people up

Stop the hollow "we care" BS

Make new and inventive fun products

Get your hands dirty, at least occasionally

Show us/Give us awesome things to aspire to

I am incredibly happy to have chosen to put my resources up in support of this TEAM!

As a father

An owner of a couple current Teslas, and full solar charging(with more vehicles on the way)

A strong supporter of our Military (NO MORE DEATHS FOR OIL)

An Strong Believer in America...KEEP AMERICA GREAT...IT HAS ALWAYS BEEN GREAT!...Still, with many places to improve.

An environmentally Sustainable future for my/our loved ones

A supporter of American Farms..."Solar Fuel" for our farmers

A supporter of under/non-privileged communities solar/renewable heat, light and power for our

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But seriously....

THANK YOU!

51 ^ | v 1 • Share >



freereel ➔ Renewables... • 5 months ago

Easiest buy and hold ever? Tesla trades at a price to revenue multiple 30 TIMES that of BMW. Tesla is now supposedly "worth" more than Toyota, even though Toyota sells 29 TIMES more vehicles per year. After sextupling in value over the past 12 months of stagnant revenue growth, Tesla should be the easiest SELL ever. You can get paid in full, right now, risk free, for the best case scenario for Tesla over the next 20 years. Tiny Tesla is ALREADY the most valuable carmaker in world history while still being a tiny niche player with no annual profits ever.

2 ^ | v 2 • Share >



Renewables... ➔ freereel • 5 months ago • edited

Plumbing
Farming
Renewable energy
The internet
Tesla/electric cars people covet
Refrigeration
Home building
Electricity

Watch out.....Their all just BUBBLES waiting to burst 😱.....quick RUN FOR THE HILLS 😱.../s

2 ^ | v 1 • Share >



Allan ➔ freereel • 5 months ago

People don't get exponential growth, which is why they don't get this stock. Cathie Woods does a good job explaining some of this:

https://www.youtube.com/watch?v=AtQD261Nl_8

1 ^ | v • Share >



80 degrees.. • 5 months ago

They deserve it, every penny. No one else is making HUGE shifts in the dirtiest sectors, and dragging everyone kicking and screaming towards sustainability.

Brovo to the mighty Tesla team! Keep crushing it, and enjoy the rewards for your huge contribution to society.

30 ^ | v • Share >



Mark Potochnik → roach779 • 5 months ago

Thank you for adding to our revenue! LOL! I hope that you enjoy your car!

16 ⤵ | ⤴ • Share >



Jason → Mark Potochnik • 5 months ago

Struck me as funny as I have read that people have been selling Tesla stock to buy Tesla cars. I think Elon May have invented a perpetual motion machine :)

25 ⤵ | ⤴ • Share >



Turd Ferguson → Jason • 5 months ago

Haha, good point. I actually think there's a lot of shareholders that did the opposite though. I bought a bunch of Tesla years ago along with every other EV company on the market. When I bought my Model 3 though I set aside enough cash to buy it twice. With one amount I bought the car, with the other, that same amount in stock..... I am a very happy camper right now. :)

9 ⤵ | ⤴ 1 • Share >



Jason → Turd Ferguson • 5 months ago

Haha, I bet and congrats :). I'm constantly amazed at how much I learn here about folks who have very different thoughts and experiences than I do. As an example, I studied securities many moons ago and the entire philosophy of the teaching was agnostic to products and purpose. It was a numbers game, like in the movie Wall Street. It shaped the way I have invested forever. I think they may have done me a disservice :). Thankfully people here are kind enough to share their philosophies and this dog is slooooowly learning some new tricks.

4 ⤵ | ⤴ • Share >



Turd Ferguson → Jason • 5 months ago

You know, when I got into securities myself that is the same way I thought. In fact, for my cashflow investments I still think that way. I saw though that my fortune in life could be better put to use investing in companies that try to fight climate change and so I set aside a portion of my portfolio to invest in "green" companies. I has been quite the ride. I've mentioned on here before that I invested in Aptera and it was rough because they went bankrupt and the shareholders really took a bath on the stock. I was also an early investor in Workhorse which then spun out their EV line into a minority interest in Lordstown motors. Of course, I'm in Geely, BYD, NIO, and SOLO still too. Those have actually paid off a lot as well. It's been a win-some lose-some decade, but overall the winning has been huge thanks to Tesla. Of course, I also bought about \$20k worth of NIO at \$2.00/share, so that has been a



The buying part I get. And I think it's admirable. Where I get lost is the thought around selling. The fundamentalist in me would have bailed way back :). I'm curious what your exit strategy is or if you are content to hold them as long as you feel good about holding them. And congrats, it sounds like a win all around for you :)

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Bubba2000 → Jason • 5 months ago

It is important to enjoy life and spend some \$\$\$, within reason. A young person will enjoy a Tesla, or some other stuff a lot more than too late in life.

4 [^](#) | [▼](#) • Share >



Gay Dybwad → Bubba2000 • 5 months ago

Hey, I'm 78 and enjoying 2 Teslas!

3 [^](#) | [▼](#) • Share >



Bubba2000 → Gay Dybwad • 5 months ago

Not everybody is fortunate and blessed with good health as you.

We got out compulsive spenders... folks that I know making 6 figures coming out the training. Before they pay theirs student loans, they got the MacMansion, lease fancy cars, etc. Piles of debt. On the other side, I have known compulsive savers, savvy investors, usually started dirt poor. 8-9 digit range. Make Ebenezer Scrooge look like a big spender. There is a balance somewhere.

I do not know what to think. We got huge asset inflation.

2 [^](#) | [▼](#) • Share >



Steviant → Bubba2000 • 5 months ago

Thank the compulsive spenders, they're the ones powering the economy, not the ones holding their money in special institutions that only lend substantially to people of proper breeding and standing in society, they're perpetuating aristocracy.

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runOfTheMillJScoder → Bubba2000 • 5 months ago

Yes I feel so fortunate to get our 2020 Model 3, when our kids are just toddlers (they quickly made a mess of the car interior).

After taking delivery, we were stopping at the supercharger, and another shiny M3 pulled to the next charger. A white-haired old gentleman stepped out and asked me how to use the charger as he just took delivery as we did

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Most folks in their early 20s got near perfect eyesight, hearing, fast reflexes. Learn new tech quick. Learn to drive on a track, fly an ultralight, ski, etc. Run track without missing a line. Enjoy healthy spontaneous relationships.

Then many folks in the 60s, 70s+ have to take bunch of pills for HTN, cholesterol, may be Diabetes, BPH, ED, etc. Going around with Depends, pushing a walker.

Makes sense to enjoy as spend along the way.

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kbm3 ➔ Bubba2000 • 5 months ago

True but let's take an example of a young person who bought an \$80k Tesla when it went public. If they had instead bought TSLA at \$17 / share, they would now have over \$6M (ten years later) and never have to work again.

[3 ^](#) | [▼](#) • Share >



roach779 ➔ Jason • 5 months ago

I did took some stocks towards the Y payment, but it was money my wife had in another investment that was not going anywhere. This is while we waited for the Y to come out. A good chunk of Tesla stocks is still there. And will stay there until Tesla runs out of products.

[4 ^](#) | [▼](#) • Share >



Jason ➔ roach779 • 5 months ago

Congrats on the Y! Another couple of days and you might be able to afford another if the stock keeps up like this :)

[2 ^](#) | [▼](#) • Share >



Teslanator ➔ roach779 • 5 months ago

A "second attempt" for a MY is worth the extra effort, enjoy!

[8 ^](#) | [▼](#) • Share >



roach779 ➔ Teslanator • 5 months ago

Yeah, I got mine now. There were some minor issues, but the finish are fixable by mobile repair.

[6 ^](#) | [▼](#) • Share >



farticustheelder • 5 months ago

I agree with the sentiment. Stock allocations are an inexpensive form of golden handcuff but it is nice to see that the rank and file get to play.

Most people had a hard quarter and they have my sympathy but Tesla employees have the

capacity is awesome and currently undervalued. VW took about 3 years to convert Zwickau, its next 'Big Push' is to convert the next plant in 2 years. Tesla goes from bare ground to first vehicle in 9 months. At the end of last year Tesla installed capacity was 500,000 vehicles per year, by the end of next year it will be 2,000,000, at a minimum and assuming no new GFs are announced in the next 9 months.

Tesla can eat as much market share as it wants. The legacy industry has no product to bring to market. More precisely they don't have adequate production to bring to market.

19 ^ | v • Share >



Bill Johnson → farticustheelder • 5 months ago

Agreed. They are really still just beginning now that they've got their big boy pants on.

3 ^ | v • Share >



Jason → farticustheelder • 5 months ago

I wonder about this. Not saying I disagree, I simply don't know, but a couple of data points gave me pause on unlimited growth. The first was rental car companies. Might be overblown, but early experiences from random customers who weren't looking to rent a Tesla were not great. The interface was too different and complex for folks to be comfortable with and they ran out of charge frequently. Essentially it's a barrier that needs effort to overcome on the part of the customer. The second are folks who value simplicity and don't want to learn anything new to drive. I fall into this category. I don't even know what features my cars have or what half the buttons do. I just drive and give it no thought at all. I don't pay a dime more than I need to above the basics because they are of no use to me personally. Things like steering and pushing a pedal are not so burdensome that I engage anything to help me out with them and somehow never been in an accident. I wonder what kind of resistance might exist, not at the performance or EV level, but at the interface level.

1 ^ | v • Share >



farticustheelder → Jason • 5 months ago

The user interface is designed for folks who spend their lives on their smart phones, most of that functionality can be hidden behind buttons and knobs just like old tech cars. This is a superficial design element not an integral part of the EV.

1 ^ | v • Share >



Jason → farticustheelder • 5 months ago

Great point. Maybe some will sell an aftermarket dashboard for folks like me :)

1 ^ | v • Share >



Jess → farticustheelder • 5 months ago

**Brian** • 5 months ago

"I want Tesla investors to know that they owe employees big time for this latest crazy run over the last week." Message heard, received, and heartily agreed to. Thanks a million, Tesla employees.

15 ⤵ | ⤴ • Share >

**Benjamin Werblow** • 5 months ago

\$1431 a share in aftermarket lol, awesome!!

16 ⤵ | ⤴ 1 • Share >

**pehash** ➔ Benjamin Werblow • 5 months ago

How many bushels of grain would you pay for a tulip bulb?..

7 ⤵ | ⤴ 20 • Share >

**AlfredEN** ➔ pehash • 5 months ago

If all trolling was this clever I wouldn't mind the trolls so much.

23 ⤵ | ⤴ • Share >

**John Donovan** ➔ pehash • 5 months ago

Good thing that clean sustainable transportation is more useful than a flower.

8 ⤵ | ⤴ • Share >

**pehash** ➔ John Donovan • 5 months ago

Tell me more about the sustainability of manufacturing billions of 2 tonne "clean" vehicles for personal transportation...

2 ⤵ | ⤴ 7 • Share >

**Jess** ➔ pehash • 5 months ago

Yeah, perfect world we ride bikes or walk, everyone takes buses etc. in reality every tesla replaces an ICE car or truck on the road, because they are powered by electricity they can be powered from a green source, and as the grid becomes greener (and it is shifting) so will what fuels the cars, but dont get foolish, many owners power their cars from solar.

4 ⤵ | ⤴ • Share >

**kbm3** ➔ Jess • 5 months ago

That is absolutely not a perfect world. A perfect world, would involve clean, sustainable and cheap rapid personal transport underground with removal of most surface streets and highways.

2 ⤵ | ⤴ 1 • Share >

**Jason** ➔ kbm3 • 5 months ago

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Multiple levels, so no stop signs, red lights. Average 125 mph speeds. Reclaim the surface for pedestrians, bike paths, less noise...

Also flying cars don't work. Imagine transplanting all current traffic into the sky. Noisy, unsightly...

1 ⤵ | ⤴ • Share >



Jason → kbm3 • 5 months ago

Hrm. Underground makes sense on that front, but safety becomes an issue in case of emergency. I wasn't thinking of flying so much as a suspended cable/rail system, like a gondola. If it were not too high off the ground, maybe 12 feet, I think you could get the advantages of underground (maybe not speed) with more safety.

^ | ⤴ • Share >



pehash → Jess • 5 months ago

I'm not suggesting an ICE truck would be better, but I'm not falling for the hypocrisy of "clean & sustainable" either especially when we're talking

ELECTREK JULY 6

Porsche reaches milestone for new electric Macan production

Fred Lambert - Jul. 6th 2020 4:58 pm ET  @FredericLambert

PORSCHE **PORSCHE MACAN**

147 Comments     

Porsche announced that it has reached a new production milestone of its new electric Macan at its Leipzig, Germany, factory.

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Quick Charge Podcast: July 6, 2020

Mikey G - Jul. 6th 2020 4:06 pm ET

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[December Pixel Feature Drop: Hands-on with all the new additions \[Video\]](#)

Deal
Chrc

VW starts converting another factory for electric car production

Fred Lambert - Jul. 6th 2020 2:01 pm ET  @FredericLambert

VOLKSWAGEN GROUP

221 Comments

After the Zwickau factory, VW has started converting another of its factories from gasoline and diesel vehicle production to electric vehicle production.

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Audi to showcase next-gen EV technology with possible A9 e-tron, due in 2024

Bradley Berman - Jul. 6th 2020 1:45 pm ET

[AUDI](#) [AUDI E-TRON](#)

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In late May, Audi announced the launch of a new agile team to push the envelope on electric and autonomous technology. Volkswagen's luxury brand said the so-called Artemis project would work on a pioneering vehicle. Autocar reports today that Audi will develop an all-electric flagship sedan to showcase that technology.

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Trevor Daugherty - Jul. 6th 2020 1:14 pm ET

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Goo
yet ↗